Lesson 3: Business aims and objectives

🎯 Learning goals

- ✓ Explain the difference between an aim and an objective
- ✓ Describe common business objectives and why they are set
- ✓ Explain why objectives differ and change between businesses
- ✓ Explain how success can be measured other than by profit

🔑 Key words

- **Aim** A long-term goal for the business.
- **Objective** A specific, measurable target that helps reach an aim.
- **Profit maximisation** Making as much profit as possible.
- **Market share** A business's portion of total sales in its market.
- **Survival** Staying in business — often the first objective of a start-up.

📘 What you need to know

A business's objectives often change as it grows.

1. Aims vs objectives

An aim is a **long-term goal** — the big picture, such as "become the town's favourite healthy café". An objective is a **specific, measurable target** that helps reach the aim, such as "increase sales by 10% this year". Objectives turn a vague aim into something a business can actually plan for and measure.

> *"An aim is where the business wants to get to; an objective is a measurable step that gets it there."*

2. Common objectives and why they are set

Common business objectives include **survival, profit maximisation, growth** (at home and abroad), **market share, customer satisfaction**, and **social and ethical** objectives. Businesses set objectives to **give direction, measure success and motivate staff** — everyone knows what they are working towards.

3. Why objectives differ and change

Objectives **differ** between businesses because of their **size, the competition they face, their ownership type**, and whether they are for profit. A brand-new stall focuses on **survival**; a large chain may chase **market share** or **shareholder value**; a charity pursues **social** aims. Objectives also **change over time**: as a business grows, faces competition, or responds to social and environmental pressures, its targets shift — FreshBowl moved from simply surviving year one to growing and going greener.

4. Measuring success beyond profit

Profit is not the only measure of success. A business can also judge itself on **market share, customer satisfaction, growth**, and **social and ethical performance** — for example, how sustainable it is, or how well it treats staff.

✅ Test yourself

Cover the answers below, answer Q22–Q27, then check.

Q22 What is the difference between an aim and an objective?

Q23 Give four common business objectives.

Q24 Why do businesses set objectives?

Q25 Why do objectives differ between businesses?

Q26 Why might objectives change over time?

Q27 How can success be measured other than profit?

ANSWERS

A22 An aim is a long-term goal; an objective is a specific, measurable target.

A23 Survival; profit maximisation; growth; customer satisfaction.

A24 To give direction, measure success, and motivate staff.

A25 Because of size, competition, ownership type, and whether the business is for profit.

A26 As businesses grow, face competition, or respond to social and environmental pressures.

A27 Market share; customer satisfaction; growth; social and ethical performance.